

Charity Registration No. 1128515

Company Registration No. 06773665 (England and Wales)

SOUTH KILBURN TRUST
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

SOUTH KILBURN TRUST

CONTENTS

| | Page |
|--|-------------|
| Reference and administrative information | 3 |
| Trustees' report | 4 - 10 |
| Statement of Trustees' responsibilities | 11 |
| Independent auditors' report | 12 - 14 |
| Statement of financial activities | 15 - 16 |
| Balance sheet | 17 |
| Cash flow statement | 18 |
| Notes to the cash flow statement | 19 |
| Notes to the accounts | 20 - 30 |

SOUTH KILBURN TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

| | |
|--|--|
| Trustees | Mary Arnold Ali Awes (from 14 th December 2019) Peter Brown David Ellison Robert Johnson Tracy Mukendi Alexander Nilere Cllr. Thomas Stephens (from 22 nd September 2020) Dale Ian Thomson |
| Independent Chair | Ros Dunn |
| Chief Executive Officer | Mark Allan until 30 th June 2019 Carl Blackburn from 2 nd September 2019 |
| Company Secretary | Peter Brown |
| Charity number | 1128515 |
| Company number | 06773665 |
| Principal address & Registered office | The Granville 140 Carlton Vale London NW6 5HE |
| Auditors | Haines Watts, Chartered Accountants Old Station House Station Approach Newport Street Swindon SN1 3DU |
| Bankers | Scottish Widows Bank PLC 67 Morrison Street Edinburgh EH3 8YJ Charities Aid Foundation (CAF) 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4TA |

SOUTH KILBURN TRUST TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The Trustees present their report and accounts for the year ended 31st March 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Trust's Memorandum & Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", FRS 102.

The Trustees have complied with the duty in Section 4 of the 2006 Charities Act to have paid due regard to guidance issued by the Charity Commission in relation to the activities being for the public benefit.

Principal aims and objectives

The objectives of the South Kilburn Trust ('The Trust') are:

1. the promotion for the public benefit of urban or rural regeneration for the benefit of those living in the area of benefit by all of or any of the following means;
 - 1.1. the relief of poverty in such ways as may be thought fit;
 - 1.2. the relief of unemployment in such ways as may be thought fit, including assistance to find employment;
 - 1.3. the advancement of education, training and retraining particularly among unemployed people, and providing unemployed people with work experience and support where practical and necessary;
 - 1.4. the provision of financial assistance, technical assistance, or business advice or consultancy in order to provide training and employment opportunities for unemployed people in cases of financial or other charitable need through help:
 - a) in setting up their own business, or b) to existing businesses;
 - 1.5. the creation of training and employment opportunities by the provision of workspace, buildings and/or land for use on favourable terms;
 - 1.6. the provision of housing and associated services for those who are in conditions of need and the improvement of housing in the public sector or in charitable ownership provided that such power shall not extend to relieving any local authorities or other bodies of a statutory duty to provide or improve housing;
 - 1.7. the maintenance, improvement or provision of public amenities;
 - 1.8. the provision of help for young people, especially but not exclusively through leisure time activities, so as to develop their capabilities that they may grow to full maturity as individuals and members of society;
 - 1.9. the provision or assistance in the provision of recreational facilities for the public at large and/or those who, by reasons of their youth, age, infirmity or disablement, poverty or social and economic circumstances, have need of such facilities;
 - 1.10. the provision of public health facilities and childcare;
 - 1.11. the promotion of public safety and prevention of crime;

SOUTH KILBURN TRUST

TRUSTEES' REPORT

- 1.12 such other means as may from time to time be determined subject to the prior consent of the Charity Commission; and
2. to develop the capacity and skills of the members of the community in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society; and
3. the promotion of any other charitable purpose in the area of benefit.

Structure and history

The Trust is a company limited by guarantee, which was registered as a charity on 12th March 2009. The Trust's legal and administrative details are set out on page 3. It is governed by the Memorandum and Articles adopted on the date of incorporation (15th December 2008) as amended by special resolution on 28th March 2009. The Trust commenced operations on 23rd February 2009.

The Trust was created to be the "legacy vehicle" for the government funded South Kilburn New Deal for Communities (NDC), a ten year limited life regeneration initiative started in 2001 and wound up in March 2011. In line with government guidance, CLG guidance note 44, the Trust was set up before the end of the NDC programme with the support of the local authority, the London Borough of Brent (LBB), and with an asset base and business plan to ensure long term viability.

The primary objectives of the Trust are to continue the socio-economic and community regeneration programme for the benefit of the residents of South Kilburn, recognising that there is still a significant "gap" between the performance of South Kilburn residents on indicators relating to health, employment, education and income compared to the LBB and the London average. The charitable objectives are widely drawn to facilitate a comprehensive regeneration programme but with the focus restricted to South Kilburn.

Governance and Management

The Trustees, who are also the directors for the purpose of company law and who served during the year were:

Mary Arnold
Ali Awes (elected 14th December 2019)
Peter James Brown
David Ellison
Robert Johnson
Nazima Kadir (resigned 11 Oct 2019)
Tracy Mukendi
Alexander Nilere
Dale Ian Thomson
Cllr Amer Agha (Council appointee until 22nd September 2020)
Cllr. Thomas Stephens (Council appointee from 22nd September 2020)

None of the Trustees have any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of the company winding up.

SOUTH KILBURN TRUST

TRUSTEES' REPORT

Recruitment, appointment & terms of office of Trustees

Trustees are recruited in accordance with the procedure described in the Memorandum & Articles of Association. A person cannot be admitted as a trustee unless s/he has signed a written application to be a trustee. When recruiting trustees the Board, takes into account, to the extent the Board considers it practicable to do so, the need for new trustees to contribute to the skills mix and balance of the Board. Alongside "stakeholder" trustees amongst whom there will be a representative from the London Borough of Brent (LBB), there are at least two "resident" trustees on the Board. Ali Awes was nominated and elected by a vote of South Kilburn residents at the Trust's Annual Public Meeting on 14th December 2019.

Trustee, induction and training

New Trustees are offered an induction which includes familiarisation with the demographic and socio-economic characteristics of South Kilburn and details of the regeneration proposals for the Area. The role and responsibilities of a Trustee and relevant Charity law is explained to new Trustees by the Trust's Company Secretary as well as the more specific charitable objectives of the Trust.

Staff Structure

The organisation is led by the Chief Executive. He manages a small staff team who manage the running of The Granville, the delivery of the Trust's charitable services and internal functions such as finance.

The Trust appointed an Independent Chair from 1st April 2011. This position is not a Trustee of the charity and is a remunerated position.

Strategic level decisions are taken by the Board of Trustees, with the day to day operational decisions delegated to the Chief Executive.

The Finance and Investment Board Sub-Committee reviews staff remuneration on an annual basis, which is recommended to the Board for approval. The Trust takes its HR legal advice from a contracted provider, which includes benchmarking roles against others in the sector, and this advice will be sought where an independent view is required.

The Chief Executive's salary is set prior to appointment by the Finance and Investment Sub-Committee, and recommended to the Board for approval. Other key management salaries prior to appointment are recommended by the Chief Executive, subsequent to an independent assessment where required, to the Finance and Investment Sub-Committee, then recommended to the Board for approval. Annual reviews take place as for all staff.

Related parties

Amer Agha, who served as a Trustee from May 2019 to September 2020, is a councillor of LBB.

Thomas Stephens, who joined as a Trustee in September 2020 is a councillor of LBB.

There are outstanding amounts due from LBB amounting to £195,678 as at 31 March 2020.

In addition to the transaction listed above an ongoing framework agreement between the Trust and the LBB exists which sets out governance and constitutional agreements between the parties.

SOUTH KILBURN TRUST

TRUSTEES' REPORT

Risk management

The Trustees review risk management regularly in terms of identifying the types of risks the charity faces (operational, financial, governance etc.), analysing and prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks identified.

Those mitigations include robust Financial Procedures to reduce the risk of fraud, theft or mismanagement, and safeguarding procedures to protect all service users, clients and the general public. The possible risks associated with the Trust's management of The Granville are identified and mitigated through comprehensive building management procedures, and contracts with professional agencies to cover fire regulations, building safety and the health and safety of all users and visitors.

Comprehensive Covid-19 risk assessments were carried out and acted upon, with alterations made to the management of The Granville to ensure that the building and its users have remained safe and protected throughout the pandemic. These are regularly reviewed and adapted to take account of the changing situation and government and scientific advice.

Vision, Strategic Aims and Activities

The Trust charitable objects are given under the Principal aims and objectives section of this report and are taken from our governing document, the Memorandum and Articles of Association. The Trust continues to review its planned activities with regard to public benefit ensuring both the identifiable benefits and the benefit to the South Kilburn community.

The Trust's vision is for South Kilburn to be recognised for its strong, supportive, diverse, inclusive and welcoming communities; an area of opportunity where we are all empowered to achieve our full potential and improve our quality of life.

The strategic aims of the Trust were revisited and revised as part of a strategic planning process in 2020, and are:

1. To achieve financial sustainability for the Trust and its core programmes, including The Granville.
2. To provide or facilitate a range of inclusive services to improve the quality of life of South Kilburn residents.
3. To make The Granville a thriving community hub at the heart of South Kilburn.
4. To develop strong, inclusive and trusting relationships between the Trust and the many diverse communities in South Kilburn, and also between those communities.
5. To make the Trust a model of good practice in the fields of community empowerment and affordable workspace provision.

As part of that strategic planning process, the Trust has identified five priority service areas:

- Enterprise Support
- Employment Support
- Youth Provision
- Community Engagement
- The Granville

Impact

The South Kilburn Trust achieved the following from our services:

SOUTH KILBURN TRUST

TRUSTEES' REPORT

Enterprise and Employment Support

- Over 200 one-to-one business advice and support sessions were delivered
- 35 different businesses were housed in The Granville's Enterprise Hub
- 9 businesses achieved significant growth as a result of our support
- 16 new jobs were created as a result of our support
- 22 trainee placements were created and supported

Community and Youth Support

- 202 different community events took place at The Granville, with 977 participants
- 30 community trips took place for people from South Kilburn to visit sites of interest
- 45 Saturday morning local walks were organised to promote exercise and tackle isolation
- The youth service, run in partnership with Youth Engagement Solutions Ltd, supported over 30 young people at risk of gang involvement
- The Granville hosted the Granville Community Kitchen to undertake their valuable support to local people
- The Granville hosted a number of wedding receptions, wakes, birthdays and community celebrations

The Trust used its management of The Granville to promote and support enterprise, employment and community activity.

The Enterprise Hub provided affordable workspace to small social enterprises and creatives and our professional Business Advisers gave practical advice and support to help these, and other local entrepreneurs, to develop their business ideas and strategies. In this way we supported people to start new businesses and grow existing ones.

We hosted regular community activities, including dance and exercise classes, support groups for people with specific needs, homework groups, arts & crafts sessions and cultural groups. The Granville was also used by community members for a number of one-off events and celebrations, including wedding receptions, wakes, birthday parties and community consultations.

We were pleased to be able to house and support the Granville Community Kitchen to deliver their essential services to local people needing food and other support.

Throughout its work, the Trust protects and maintains The Granville as an important community asset.

Funding Sources

The Trust generated income from renting studio and desk space to local entrepreneurs and creatives, and hall and room hire for community activities. This is subsidised through a funding agreement with the London Borough of Brent. The Trust also owns two local properties which generate a small income.

Financial control

The Trust receives a financial report on a quarterly basis compiled by its accountants who draw attention to any variances from the budget. This is reviewed by the Finance and Investment Sub-Committee before being presented to the Board. The administration of payments is managed by staff in the South Kilburn Trust in accordance with the Trust's Financial Procedures. It is the policy of the Trust that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to twelve month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop

SOUTH KILBURN TRUST

TRUSTEES' REPORT

in funding, they will be able to continue current activities while consideration is given to ways in which additional funds may be raised. The Trust had reserves in excess of this minimum requirement.

Financial review

The position of the charity at 31 March 2020 is set out on page 17. The year ended with the organisation in a strong position to take forward its future plans. Continuing to grow its successful programmes, including its new Workspace and Community Hub, The Granville, in partnership with the London Borough of Brent, will allow the Trust to use its healthy resources for the benefit of the local community.

During the year the charity had a net outflow of resources amounting to £232,379 (2019 £222,275). Whilst the charity is holding a high level of reserves the majority of those funds have been designated for specific projects (see note 14) to allow the trustees time to review the long term sustainable strategy for the organisation.

At the year end the charity had total reserves of £4,358,323. £103,248 related to restricted funds, £4,200,000 to designated funds and £55,075 to unrestricted funds. Details of these are included in notes 13 and 14.

Free reserves of the charity at the year end (unrestricted funds less designated funds and those tied up in tangible fixed assets) amounted to £nil due to the high level of designated funds set aside.

Plans for the future

Our focus in 2020-21 covers four main areas:

- a. To make The Granville a thriving hub, open to everyone, at the heart of the local community.
- b. To maintain and develop funded services that support local people, either provided by the Trust or in collaboration with other organisations.
- c. To secure Phase 2 as part of the redevelopment proposals for the Carlton-Granville site.
- d. To ensure both the Trust and The Granville are becoming increasingly financially sustainable in the long term

These types of services are the heart of what the South Kilburn Trust does:

- Community Spaces
- Community Projects
- Community Café
- Youth Services
- Events
- Venues for All Occasions
- Work Space
- Business Support

Disclosure of information to auditors

Each of the trustees have confirmed that there is no information of which they are aware which is relevant to the audit; but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

A resolution proposing that Haines Watts, Chartered Accountants be reappointed as auditors of the company will be put to the members.

SOUTH KILBURN TRUST

TRUSTEES' REPORT

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board of Trustees

DocuSigned by:

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Peter Brown

Trustee

Dated: 25 March 2021



Alexander Nilere

Trustee

SOUTH KILBURN TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also the directors of South Kilburn Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the trust will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Charity website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements differ from legislation in other jurisdictions.

SOUTH KILBURN TRUST

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SOUTH KILBURN TRUST

Opinion

We have audited the financial statements of South Kilburn Trust (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, Balance Sheet, Cash flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charity's operations, funders, suppliers and wider economy. The trustees' view on the impact of COVID-19 is disclosed in the accounting policies note on page 20.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

SOUTH KILBURN TRUST

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SOUTH KILBURN TRUST

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

SOUTH KILBURN TRUST

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SOUTH KILBURN TRUST

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Susan Plumb ACA.

Susan Plumb ACA
Senior Statutory Auditor
For and on behalf of Haines Watts, Chartered Accountants and Statutory Auditors
Old Station House
Station Approach
Newport Street
Swindon
SN1 3DU

25 March 2021

SOUTH KILBURN TRUST

STATEMENT OF FINANCIAL ACTIVITIES (including Income & Expenditure) FOR THE YEAR ENDED 31 MARCH 2020

| | Notes | Unrestricted funds £ | Designated funds £ | Restricted funds £ | 2020 £ | 2019 £ |
|---|-------|----------------------------|--------------------------|--------------------------|------------------|------------------|
| Income from: | | | | | | |
| Donations | 2 | 222,749 | - | 13,865 | 236,614 | 124,521 |
| Investment income | 3 | 48,053 | - | - | 48,053 | 48,653 |
| Charitable activities | | 155,129 | - | - | 155,129 | 191,088 |
| Other income | | - | - | - | - | 2,000 |
| Total income | | 425,931 | - | 13,865 | 439,796 | 366,262 |
| Expenditure | | | | | | |
| | 4 | | | | | |
| Raising funds | | | | | | |
| Investment management costs | | 988 | - | - | 988 | 1,628 |
| Charitable activities | | | | | | |
| Enterprise hub | | 251,139 | - | 11,158 | 262,297 | 303,614 |
| The Granville | | 234,833 | - | - | 234,833 | 271,822 |
| Community engagement | | 82,544 | - | - | 82,544 | 95,546 |
| Youth Provision | | 87,746 | - | 3,767 | 91,513 | 105,927 |
| | | 656,262 | - | 14,925 | 671,187 | 776,909 |
| Total expenditure | | 657,250 | - | 14,925 | 672,175 | 778,537 |
| Net expenditure before transfers | | (231,319) | - | (1,060) | (232,379) | (412,275) |
| Transfers | | | | | | |
| Gross-transfers between funds | 14 | 200,000 | (200,000) | - | - | - |
| Other recognised gains and loses | | | | | | |
| Gain on fixed assets | | - | - | - | - | 190,000 |
| Net expenditure for the period | | (31,319) | (200,000) | (1,060) | (232,379) | (222,275) |

Continued

SOUTH KILBURN TRUST
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Continued

Reconciliation of Funds

| | | | | | |
|---|---------------|------------------|----------------|------------------|------------------|
| Fund balances brought forward at 1 April 2019 | 86,394 | 4,400,000 | 104,308 | 4,590,702 | 4,812,977 |
| Fund balances carried forward at 31 March 2020 | <u>55,075</u> | <u>4,200,000</u> | <u>103,248</u> | <u>4,358,323</u> | <u>4,590,702</u> |

There were no other recognised gains and losses for the period other than those included in the statement of financial activities. All the company's activities are classified as continuing.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SOUTH KILBURN TRUST**BALANCE SHEET****AS AT 31 MARCH 2020**

| | Notes | 2020 | | 2019 | |
|--|-------|------------------|------------------|------------------|------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 9 | | 12,794 | | 9,220 |
| Investments | 10 | | 940,000 | | 940,000 |
| | | | <u>952,794</u> | | <u>949,220</u> |
| Current assets | | | | | |
| Debtors | 11 | 241,969 | | 220,767 | |
| Cash at bank and in hand | | 3,238,691 | | 3,499,952 | |
| | | <u>3,480,660</u> | | <u>3,720,719</u> | |
| Creditors: amounts falling due within one year | 12 | (75,131) | | (79,237) | |
| Net current assets | | | <u>3,405,529</u> | | <u>3,641,482</u> |
| Total assets less current liabilities | | | <u>4,358,323</u> | | <u>4,590,702</u> |
| Funds | | | | | |
| Restricted income funds | 13 | | 103,248 | | 104,308 |
| Unrestricted funds: | | | | | |
| Designated funds (including revaluation reserves of £319,915, 2019 same) | 14 | | 4,200,000 | | 4,400,000 |
| Other charitable funds | | | 55,075 | | 86,394 |
| Total charity funds | | | <u>4,358,323</u> | | <u>4,590,702</u> |

The financial statements have been prepared in accordance with the special provisions relating to small companies in Part 15 of the Companies Act 2006.

The accounts were approved by the Board on 25 March 2021

Peter Brown
Trustee

DocuSigned by:

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Alexander Nilere
Trustee

Company Registration No. 06773665

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020

| | Notes | 2020 £ | 2019 £ |
|---|----------|------------------|------------------|
| Net cash outflow from operating activities | a | (262,468) | (520,425) |
| Returns on investments and servicing of finance | | | |
| Interest received | | 7,039 | 5,900 |
| Net cash inflow from returns on investments and servicing of finance | | 7,039 | 5,900 |
| Capital expenditure | | | |
| Payments to acquire tangible fixed assets | | (5,832) | (7,262) |
| Net cash outflow from capital expenditure | | (5,832) | (7,262) |
| Decrease in cash | b | (261,261) | (521,787) |

SOUTH KILBURN TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

1.1 General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is The Granville, 140 Carlton Vale, London, NW6 5HE

Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011. The charity constitutes a public benefit entity.

1.2 Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain fixed assets measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity and is rounded to the nearest £.

Going concern

The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. Whilst it is difficult to evaluate all of the potential implications on the charity's operations, funding, suppliers and wider economy, the Trustees have put in place policies, protections and contingencies, and have actively managed the ongoing situation in respect to the charity. The Trustees' view on the impact of COVID-19 is that, given the measures that could be undertaken to mitigate the current adverse conditions and the current resources available, they can continue to adopt the going concern basis in preparing the financial statements.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Where part of an unrestricted fund is earmarked for a particular project but there is no legal restriction to the trustees' discretion to apply to the fund, the affected assets will transfer to form a designated fund. Where the trustees have the power to declare specific trusts over unrestricted funds and such power is exercised, the assets affected will transfer to form a restricted fund. Where there is a surplus on a restricted fund after any obligations relating to the fund have been discharged, the surplus will then transfer to unrestricted funds.

1.4 Incoming resources

Donations are accounted for when conditions have been met and there is reasonable assurance of receipt and the amount receivable can be reliably estimated.

Legacies are accounted for when notified, providing the amount can be reliably ascertained and that ultimate

SOUTH KILBURN TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1.4 Accounting Policies

(continued)

receipt is reasonably certain. Donated services and gifts in kind are included at the value to the Trust where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

Grants received are accounted for as receivable as and when conditions for receipt have been met. Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to performance conditions is recognised (as the related goods or services are provided). Grant income included in this category provides funding to support activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Advance payments received during the year for activities to be carried out in later financial years are not reflected in the statement of financial activities. The amounts have been deferred to the financial year in which the activities will be carried out and are reported as deferred income. Deferred income is included within creditors.

Amounts which were received after the period end for activities carried out during the period have been accrued for in the financial period in which the activities were carried out and reported as accrued income.

Investment and rental income is recognised on a receivable basis. Income from property disposals is recognised on the completion of contract.

1.5 Debtors and Creditors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount.

1.6 Resources expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that result in the payment being unavoidable.

Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities include both the direct and support costs relating to these activities.

Governance costs include the cost of any legal advice to Trustees on governance or constitutional matters, external accountancy and audit costs, a proportion of consultancy costs which related to strategic management of the charity as well as other various expenses.

Support costs include central functions and have been allocated equally across the different activities.

The Trust is not registered for VAT so all expenses shown in the Statement of Financial Activities and notes to the accounts are shown gross (i.e. inclusive of VAT).

The Trust employees participates in a defined contribution pension scheme. Pension contributions are charged to the Statement of Financial Activities in the year in which they fall due.

SOUTH KILBURN TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting Policies

(continued)

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|--------------------|----------------------|
| Office equipment | 15% reducing balance |
| Fixture & fittings | 15% reducing balance |

Investment properties are included in the balance sheet at the open market value and are revalued annually and the aggregate surplus or deficit is transferred to the revaluation reserve. No depreciation or amortisation is provided in respect of investment properties. Although this is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the director compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation and amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

Assets are capitalised if they are deemed to have a beneficial use of greater than one year from purchase and have a cost greater than £2,500.

Trade and other debtors are recognised at the settlement amount due after and trade discounts. Prepayments are valued at the amount prepaid net of any discounts.

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount to settle the obligation can be measured or estimated reliably.

SOUTH KILBURN TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

2 Voluntary income

| | Unrestricted funds £ | Designated funds £ | Restricted funds £ | Total 2020 £ | Total 2019 £ |
|--------------|----------------------------|--------------------------|--------------------------|--------------------|--------------------|
| Donations | 222,749 | - | - | 222,749 | 116,221 |
| Grant income | - | - | 13,865 | 13,865 | 8,300 |
| | <u>222,749</u> | <u>-</u> | <u>13,865</u> | <u>236,614</u> | <u>124,521</u> |

2019 income comprised £7,800 restricted and £116,721 unrestricted.

3 Investment income

| | Unrestricted funds £ | Designated funds £ | Restricted funds £ | Total 2020 £ | Total 2019 £ |
|---------------------|----------------------------|--------------------------|--------------------------|--------------------|--------------------|
| Rental income | 41,014 | - | - | 41,014 | 42,753 |
| Interest receivable | 7,039 | - | - | 7,039 | 5,900 |
| | <u>48,053</u> | <u>-</u> | <u>-</u> | <u>48,053</u> | <u>48,653</u> |

SOUTH KILBURN TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

4 Analysis of expenditure on charitable activities

| Charitable activities | Activities undertaken directly | Support costs | Total |
|-----------------------|--------------------------------|----------------|----------------|
| | 2020 | 2020 | 2020 |
| | £ | £ | £ |
| Enterprise hub | 199,764 | 62,533 | 262,297 |
| The Granville | 172,300 | 62,533 | 234,833 |
| Community engagement | 20,011 | 62,533 | 82,544 |
| Youth provision | 28,980 | 62,533 | 91,513 |
| | 421,055 | 250,132 | 671,187 |
| 2019 (restated) | 460,757 | 316,152 | 776,909 |

The charitable activities of the Trust have been amended for 2020 to better reflect the on-going activities and services provided. Sufficient information / allocation of costs is not available to give meaningful comparative figures.

5 Support costs

Support costs are apportioned equally across each activity and represent the following: -

| | 2020 £ |
|-----------------------------|-----------------------|
| Governance | 24,108 |
| Information technology | 3,466 |
| Legal and professional fees | 113,093 |
| Depreciation | 2,258 |
| Salaries | 55,122 |
| Office costs | 18,107 |
| Other | <u>33,978</u> |
| | <u>250,132</u> |

SOUTH KILBURN TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

6 Net incoming resources for the year

| | 2020 | 2019 |
|--|-------------------|-------------------|
| | £ | £ |
| Net incoming resources for the year are stated after charging: | | |
| Depreciation | 2,258 | 345 |
| Auditors remuneration | | |
| - audit services | 4,100 | 4,000 |
| | <u> </u> | <u> </u> |

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, nor were they reimbursed travelling expenses.

8 Employees

Number of employees

The average monthly number of employees during the year was:

| | 2020 | 2019 |
|-----------------------|-------------------|-------------------|
| | Number | Number |
| Management | 4 | 4 |
| Administration | 2 | 3 |
| Services & operations | 5 | 8 |
| | <u> </u> | <u> </u> |
| | 11 | 15 |
| | <u> </u> | <u> </u> |

Employment costs

| | 2020 | 2019 |
|-----------------------|-------------------|-------------------|
| | £ | £ |
| Wages and salaries | 291,425 | 317,369 |
| Social security costs | 24,494 | 26,240 |
| Pension costs | 13,828 | 14,983 |
| | <u> </u> | <u> </u> |

No employee received emoluments greater than £60,000 during the year (2019 one employee received emoluments between £60,000 and £69,999).

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £66,616 (2019: £76,644)

SOUTH KILBURN TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

9 Tangible fixed assets

| | Fixtures & Fittings | Office Equipment | Total |
|-------------------------|------------------------|---------------------|---------------|
| Cost | £ | £ | £ |
| At 1 April 2019 | 3,687 | 9,500 | 13,187 |
| Additions | 5,832 | - | 5,832 |
| Disposals | - | - | - |
| At 31 March 2020 | 9,519 | 9,500 | 19,019 |
| Depreciation | | | |
| At 1 April 2019 | - | 3,967 | 3,967 |
| Charge for the year | 1,428 | 830 | 2,258 |
| Disposals | - | - | - |
| At 31 March 2020 | 1,428 | 4,797 | 6,225 |
| Net book value | | | |
| At 31 March 2020 | 8,091 | 4,703 | 12,794 |
| At 31 March 2019 | 3,687 | 5,533 | 9,220 |

10 Fixed asset investments

| | Investment property £ |
|--------------------------------------|-----------------------------|
| Market value at 1 April 2019 | 940,000 |
| Additions at cost | - |
| Revaluation | - |
| Market value at 31 March 2020 | 940,000 |
| Historical cost: | |
| At 31 March 2020 | 620,085 |

SOUTH KILBURN TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

| 11 Debtors | 2020 | 2019 |
|--|------------------------------|-----------------------|
| | £ | £ |
| Trade debtors | 217,025 | 15,433 |
| Prepayments and accrued income | 24,944 | 205,334 |
| | <u>241,969</u> | <u>220,767</u> |
| | <u><u>241,969</u></u> | <u><u>220,767</u></u> |
| | | |
| 12 Creditors: amounts falling due within one year | 2020 | 2019 |
| | £ | £ |
| Trade creditors | 16,835 | 25,240 |
| Other creditors | 10,723 | 11,119 |
| Accruals and deferred income | 47,573 | 42,878 |
| | <u>75,131</u> | <u>79,237</u> |
| | <u><u>75,131</u></u> | <u><u>79,237</u></u> |

Deferred income of £1,500 (2019 £6,217) will all be released in 2020/2021 and represent advance room bookings.

SOUTH KILBURN TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

| | Movement in funds | | | Balance at 31 March 2020 |
|---------------|----------------------------|-----------------------|-----------------------|-----------------------------|
| | Balance at 1 April 2019 | Incoming resources | Resources expended | |
| | £ | £ | £ | £ |
| St Augustines | 93,150 | - | - | 93,150 |
| NCIL | - | 13,865 | (3,767) | 10,098 |
| Music Studio | 11,158 | - | (11,158) | - |
| | <u>104,308</u> | <u>13,865</u> | <u>(14,925)</u> | <u>103,248</u> |

The St Augustine's restricted fund was comprised of a grant received from the London Borough of Brent, set aside by the Trust to fund "Pay & Play" provided by the Trust to encourage local residents into sports at affordable prices. Pursuant to an agreement with the London Borough of Brent payments out of the funds can only be made for purposes that will further the provision of "Pay & Play" or general community use at the St Augustine's Sports Hall.

Neighbourhood Community Infrastructure Levy is funding to support an arts and crafts programme for children of South Kilburn.

Funding was received from the London Borough of Brent under the Neighbourhood Community Infrastructure Levy project towards the provision of Music Studios.

SOUTH KILBURN TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

14 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

| | Movement in funds | | | | | Balance at 31 March 2020 |
|---------------------|-------------------------|--------------------|--------------------|------------------|--------------------------|--------------------------|
| | Balance at 1 April 2019 | Incoming resources | Resources expended | Transfers | Investments gains/losses | |
| | £ | £ | £ | £ | £ | £ |
| Capital/development | 2,050,000 | - | - | - | - | 2,050,000 |
| Contingency fund | 350,000 | - | - | (200,000) | - | 150,000 |
| Investment fund | 2,000,000 | - | - | - | - | 2,000,000 |
| | <u>4,400,000</u> | <u>-</u> | <u>-</u> | <u>(200,000)</u> | <u>-</u> | <u>4,200,000</u> |

The trustees have reviewed the nature and level of the designated fund at the year-end with the result that the new designated funds created in the previous financial year will continue. While it had been anticipated that the contingency fund would reduce at a slower rate, the business model to increase income from the new hub has been and will be slower than anticipated:

Capital/Development - the development of new premises and a Community and Enterprise Hub.

Contingency fund - to enable the organisation's reliance on its legacy funding to reduce by incremental percentages during the period of the South Kilburn Regeneration.

Investment fund – to secure a long term income to sustain the Trust in the long term with the aim that this will bring the organisation an annual return.

15 Analysis of net assets between funds

| | Unrestricted funds | Restricted funds | Total |
|--|--------------------|------------------|------------------|
| | £ | £ | £ |
| Fund balances at 31 March 2020 are represented by: | | | |
| Tangible fixed assets | 12,794 | - | 12,794 |
| Investments | 940,000 | - | 940,000 |
| Current assets | 3,377,412 | 103,248 | 3,480,660 |
| Creditors: amounts falling due within one year | (75,131) | - | (75,131) |
| | <u>4,255,075</u> | <u>103,248</u> | <u>4,358,323</u> |

SOUTH KILBURN TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

16 Related parties and controlling interest

No related party transactions took place during the year.

The trust was under the control of the trustees throughout the current and previous period.

| 17 Leasing agreements | 2020 | 2019 |
|---|----------------------|---------------|
| Minimum lease payments under non-cancellable operating leases fall due: | £ | £ |
| Within one year | 8,361 | 8,361 |
| Two to five years | 13,556 | 21,917 |
| More than 5 years | - | - |
| | <u>21,917</u> | <u>30,278</u> |

18 Contingent Liabilities

At the year end The Trust is involved in legal proceeding brought by a former employee relating to a number of aspects of employment law. The claimant is seeking up to £115,000 in settlement. A final hearing is set for July 2021 however, although the outcome of the hearing cannot be known with any certainty, the Trust's lawyers and legal Counsel are of the opinion that the Trust is more likely than not to be successful in defending the claim. As a result, no provision has been made in the financial statements for any costs that could possibly arise following the hearing.